THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) and (b) Coal India Limited (CIL) and Mahandi Coalfields Limited (MCL) have decided to put up a coal washery under Build-Own-Operate system at Kalinga Mine for supply of washed coal to Vishakhapatnam thermal power station for which global tenders have been invited by them. After evaluation of global bids, a successful bidder has been selected by the coal company for setting up the said washery.

Coal India Limited is in the process of preparing a legally enforceable Coal Supply and Transport contract for supply of coal to this power station to be entered into between M/s. Hinduja National Power Corporation Ltd. and Mahanadi Coalfields Limited (MCL). This contract will incorporate the following principles:

1. that in the event coal supply is less than what is required by power plant to generate power at a PLF of 68.49%, coal company will be liable to pay damage corresponding to the Fixed Capacity Charges.

2. A nominal liquidated damages shall have to be paid by the coal company for short supplies of coal in the event supply is between 68.49% PLF to a specified level.

3. Bonus will be paid by the power producer to the coal company for the supply of coal beyond the level mentioned above.

(c) and (d) The Government has also decided that the broad principles enunciated in the case of M/s. HNPCL will be applicable in the case of coal supplies to all other new Power Projects.

Outstanding dues of coal companies for supplies of coal

1242. SHRI SHIV CHARAN SINGH: SHRI PARAG CHALIHA:

Will the Minister of COAL be pleased to state:

(a) whether Government have recently decided that the total outstanding dues of coal companies for supplies of coal as on 31st December 1996 will be recovered from the central plan assistance of the respective States; and

(b) if so, the need and justification thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) and (b) The cumulative coal sale dues to coal companies from power utilities as on 31.12.96 reached a level of Rs. 3325.28 crores. Coal India Limited had been suffereing a serious resource crunch due to non-payment of coal sale dues by the power sector jeopardising operations and project implementation. In order therefore to improve the liquidity position of CIL leading to greater investment and increase in production to meet the coal requirement of the country, Government have decided to deduct outstanding dues as on 31.12.96 of public sector undertakings under the ministry of Power/Railways/Coal/Atomic Energy through Central Appropriation with the stipulation that the appropriation be restricted annually to a maximum of 15% of the Central Plan Assistance for the concerned State irrespective of the number of years that it may take for the outstanding dues to be cleared.

Losses in Dankuni Coal Complex

1243. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COAL be pleased to state:

(a) whether Dankuni Coal Complex, a coal India subsidiary is anticipated to suffer a loss of over Rs. 30 crore during 1996-97;